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U.S. House of Representatives
Committee on Financial Services
2129 Rayburn House Office Building
Washington, DC 20515

December 17, 2002

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CHIEF COUNSEL AND STAFF DIRECTOR

The Honorable Joe M. Allbaugh
Director
Federal Emergency Management Agency
500 C Street, S.W.
Washington, D.C. 20472

Dear Director Allbaugh:

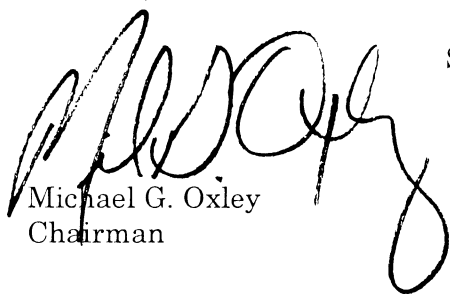
The basic authorities for the Federal Emergency Management Agency's (FEMA) National Flood Insurance Program (NFIP) are scheduled to expire on December 31, 2002. This letter is to inform you that we are working in a bipartisan effort with colleagues in both the House and the Senate to reauthorize the National Flood Insurance Program as soon as possible when Congress convenes.

The mandatory insurance purchase requirements contained in the NFIP authorization are a vital component of the residential real estate and mortgage lending industries. We are working closely with all involved parties to achieve a seamless reauthorization of the program with minimal disruption for consumers.

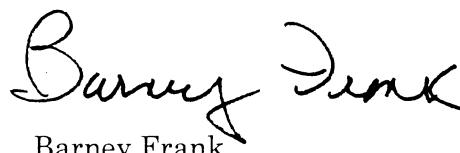
The legislation that we intend to enact will extend for one year sections 1309 (42 U.S.C. § 4016(a)(2) – borrowing authority) 1319 (42 U.S.C. § 4026 – authority to issue new flood insurance contracts), 1336 (42 U.S.C. § 4056(a) – emergency program), and, 1376(c) (42 U.S.C. § 4127 – initiate new flood studies), of the National Flood Insurance Act of 1968. In addition, the legislation will include language to make reauthorization retroactive to December 31, 2002.

We trust that FEMA will continue to operate the program with the knowledge that Congress intends to reauthorize this program and to make the reauthorization retroactive to December 31, 2002.

Sincerely,



Michael G. Oxley
Chairman



Barney Frank
Ranking Member
Subcommittee on Housing
and Community Opportunity

MGO/BF/cm